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**FILED**

**SEP 10 2002**

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS & MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

IN THE MATTER OF THE PETITION OF  
THE DIVISION OF OIL, GAS & MINING  
FOR AN ORDER TO POST  
SUPPLEMENTAL RECLAMATION  
SURETY, OR REQUIRE IMMEDIATE  
RECLAMATION, MAGNESIUM  
CORPORATION OF AMERICA  
("MAGCORP, INC." KNOLLS FACILITY)

**NOTICE OF WITHDRAWAL OF  
REQUEST FOR AGENCY ACTION**

Docket No. 2002-004

Cause No. M/045/022

The Division of Oil, Gas & Mining ("Division") gives Notice of its withdrawal of the Petition filed by the Division for an ORDER TO POST SUPPLEMENTAL RECLAMATION SURETY, OR REQUIRE IMMEDIATE RECLAMATION, MAGNESIUM CORPORATION OF AMERICA, KNOLLS SOLAR PONDS PROJECT, TOOELE COUNTY, UTAH.

Magnesium Corporation of America ("MagCorp") has filed bankruptcy (Case No. 01-14312 (REG)) in the United States Bankruptcy Court for the Southern District of New York. Neither MagCorp nor the trustee have assumed the numerous leases, rights-of-way, and executory contracts (the legal rights to conduct mining operations at the Knolls facility) within the time limits established by statute. Accordingly, the mining permit and leases associated with the Knolls facility are deemed abandoned by operation of law, and MagCorp is not legally capable of completing the reclamation. As a result of the abandonment of these contracts and the bankruptcy, MagCorp is not capable of posting additional bond.

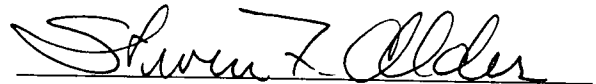
These actions of MagCorp render further administrative actions by the Division to require reclamation of the Knolls Project or posting of additional surety pointless and futile. As a result, the Petition to post supplemental reclamation surety or to require immediate reclamation is withdrawn.

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This withdrawal is not made pursuant to any agreement to limit the rights of the Division as a creditor in the above bankruptcy action; nor is it intended as a waiver, compromise, or abandonment of its rights; rather, the Division reserves all rights it may have to recover from MagCorp and the bankruptcy estate all costs, deficiencies, and expenses associated with the reclamation of the Knolls properties.

DATED this 10th day of September, 2002.

MARK L. SHURTLEFF  
UTAH ATTORNEY GENERAL

A handwritten signature in cursive script, reading "Steven F. Alder", written over a horizontal line.

STEVEN F. ALDER

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